ROCK RECORDS (M) SDN BHD

v.

AUDIO ONE ENTERTAINMENT SDN BHD

HIGH COURT MALAYA, KUALA LUMPUR
ABDUL MALIK ISHAK J
[CIVIL SUIT NO: D4-22-820-2003]
8 NOVEMBER 2004

COPYRIGHT: *Piracy - Sound recordings - Reproduction in karaoke video compact disks - Whether unauthorized - Whether ownership to copyright proved - Whether defence of mere denials - Whether copyright owner entitled to summary judgment - Copyright Act 1987, ss. 7(1)(e), 10(2)(a), 13(1)(a), 36, 42*

COPYRIGHT: *Piracy - Sound recordings - License to reproduce in laser disks - Whether license extends to reproduction in video compact disks - Copyright Act 1987, s. 13*

COPYRIGHT: *Sound recordings - License agreement - Interpretation of "licensed materials" and "master tape"*

CIVIL PROCEDURE: *Affidavits - Order 14 application - Statutory declarations annexed - Whether originals required - Whether mere copies sufficient - Rules of the High Court 1980, O. 1A, O. 41 r. 11(1)*

This was the plaintiff's application for summary judgment under O. 14 of the Rules of the High Court 1980 for copyright infringement under the Copyright Act 1987 ('the Act'). The plaintiff claimed the defendant had infringed its copyright to sound recordings by Malaysian artistes ('the works') by incorporating them into karaoke video compact disks without permission. It was not disputed that the plaintiff was assigned the copyright in the works by one Suara Cipta Sempurna (Marketing) Sdn Bhd ('Suara') by virtue of a sale and purchase agreement. The defendant alleged that there was a license agreement between Suara and the defendant justifying its right to reproduce the works. Further, the sale and purchase agreement was not sufficient to prove the plaintiff owned the works and that the plaintiff failed to produce the artiste's recording agreements and the deed of assignment. Also, the plaintiff did not annex the originals of the works.

Held (allowing the application):

[1] The plaintiff had adduced *prima facie* evidence of its claim to subsistence and ownership of copyright in the works (See ss. 7 (1)(e), 10(2)(a) and 42 of the Act). The defendant's bare denials in defence were insufficient to rebut the *prima facie* evidence and therefore the plaintiff successfully established that copyright subsisted in the works in Malaysia. (pp 206 c-g, 207 a-g, 208 a-g, 209 a-b & 210 a-c)

[2] The available documentary evidence showed that there was a valid assignment of the copyright in the works to the plaintiff. The defendant had not produced any evidence to rebut or challenge the validity of that assignment. (pp 211 h & 212 a-b)

[3] Section 13 of the Act conferred the plaintiff as copyright owner exclusive rights of control of the works. By virtue of s. 13(1)(a) of the Act, the plaintiff had the right to control the reproduction of the works in various material forms, whether in cassettes, laser discs (LD), video compact discs (VCD) or digital video compact discs (LCD). However, a license granted by the copyright owner to reproduce sound recordings in cassette format does not extend to the right of reproduction of the sound recordings in VCD format. Also, a license to reproduce sound recordings in LD format does not extend to the right to reproduce the sound recordings in VCD format. The defendant's unauthorized reproduction lay in karaoke VCDs and s. 36(1) of the Act states that any unauthorized act of reproduction is considered to be an act of copyright infringement. (pp 212 d-h & 213 a-b)

[4] The purported license between Suara and the defendant justifying the defendant's right to reproduce the works was of no defence to the plaintiff's claim. This was because firstly, the copyright in the works had been assigned to the plaintiff. Secondly, there was no evidence to show how and from whom Suara procured the rights to sub-license to the defendant. Thirdly, the purported license was only to duplicate and make copies of the master tapes containing the licensed materials onto and in LD format. It followed that the defendant was not licensed to reproduce the plaintiff's works in VCD format and upon expiry of the purported license, the defendant was not authorized to reproduce the plaintiff's works in any format whatsoever. (p 214 d-h)

[5] The karaoke VCDs were not films under the Act just because the defendant incorporated the plaintiff's works into its karaoke VCDs. It was audacious on the part of the defendant to claim that the plaintiff's works became the defendant's merely by being incorporated into its karaoke VCDs and that too, without the plaintiff's permission. Annexing one's property to another without the permission of the lawful owner and assuming that property as one's own is tantamount to theft of that annexed property. (p 217 a-b)

[6] A film is said to be a composite work made up of several underlying works that are individually eligible for copyright protection. The Act creates and confers an additional right on the film maker in the film as a composite work but it does not take away the individual rights of copyright owners of works eligible for protection such as sound recordings that are embodied in the film. (p 217 c-d)

[7] There was no necessity for the plaintiff to produce the artiste's recording agreements or the deed of assignment. All that was required was that the copyright in the sound recordings was validly assigned to the plaintiff through a valid instrument of transfer and this was done *via* the sale and purchase agreement. The important clauses on assignment in sound recordings in the sale and purchase agreement effectively transferred the copyright ownership to the plaintiff independently of whether the artistes' recording agreements were duly assigned to the plaintiff or otherwise. (p 219 g-h)

[8] The definition of "licensed materials" in the licensed agreement did not specifically address "sound recordings". However, the definition of "master tape" clearly envisaged "sound recordings". By allowing the defendant to duplicate and reproduce the master tapes, the license agreement purported to license the sound recordings embodied in those tapes. The defendant was estopped by virtue of the license agreement and its conduct pursuant to the license agreement from challenging the copyright ownership of Suara and the assignee of the copyright, the plaintiff, in the works. (pp 220 d-f & 221 c-d)

[9] The only reason that the plaintiff failed to annex the original copies of the works was due to its bulk and volume. It was not the case that the plaintiff was unable to produce the actual or true copies of the works. The originals were produced before the court. The provisions in the Evidence Act 1950 governing primary and secondary evidence had no application to affidavits. The statutory declarations annexed to the affidavits complied with O. 41 r. 11(1) of the RHC. They need not be

originals. Mere copies were sufficient. The same applied to the exhibits annexed to the statutory declarations that were then exhibited in the affidavits. Notwithstanding, any irregularity was curable by virtue of O. 1A of the Rules of the High Court 1980. (pp 221 e-h & 222 a-f)

[10] The fact that the defendant was licensed to reproduce the works in VCD format up until the expiry of the purported license was of no defence to the defendant. The infringing VCDs were reproduced and sold after the expiry of the purported license. The defendant did not produce a single shred of evidence to show that the infringing VCDs were old stocks that were not sold up to date. (p 223 b-d)

[11] There was no issue of the plaintiff suing the defendant for past infringement because the infringing VCDs were produced and sold by the defendant after the expiry of the purported license and after the assignment of the copyright in the works to the plaintiff. (p 224 a-c)

[12] There were no triable issues and the plaintiff's title to copyright stood unchallenged. The defendant copied and reproduced the plaintiff's works without its permission and the defendant profited out of such theft. The plaintiff was therefore entitled to summary judgment, the granting of which was consistent with the government's efforts to effectively enforce the Act and stamp out piracy. (pp 224 e-h & 225 a)

Case(s) referred to:

Bank Negara Malaysia v. Mohd Ismail Ali Johor & Ors [1992] 1 CLJ 627; [1992] 1 CLJ (Rep) 14 SC ***(refd)***

British Actor Films Co v. Glover [1918] 1 KB 299 ***(refd)***

Brown v. Wolff & Co [1907] 52 Sol Jo 45 ***(refd)***

Chen Heng Ping & Ors v. Intradagang Merchant Bankers (M) Bhd [1995] 3 CLJ 690 CA ***(refd)***

EW Savory Ltd v. World of Golf Ltd [1914] 2 Ch 566 ***(refd)***

Ex parte Hutchins [1879] 4 QBD 483 ***(refd)***

Lacy v. Toole [1867] 15 LT 512 ***(refd)***

London Printing and Publishing Alliance Ltd v. Cox [1891] 3 Ch 291 ***(refd)***

Ng Hee Thoong & Anor v. Public Bank Bhd [1995] 1 CLJ 609 CA ***(refd)***

Petroleum Nasional Bhd v. Kerajaan Negeri Terengganu & Another Appeal [2003] 4 CLJ 337 CA ***(refd)***

Phonographic Performance Company of Australia Ltd & Ors v. Federation of Australian Commercial Television Stations [1998] 40 IPR 225 ***(refd)***

Photocrom Co Ltd v. H and W Nelson Ltd [1927] Mac G Cop Cas (1923-28) 293 ***(refd)***

Rank Film Ltd v. Video Information Centre [1982] AC 380 ***(refd)***
Re Jude's Musical Compositions [1907] 1 Ch 651 ***(refd)***
Renofac Builder (M) Sdn Bhd v. Chase Perdana Bhd [2001] 5 CLJ 371 HC ***(refd)***
Solid Gold Publishers Sdn Bhd v. Chan Wee Ho & Ors [1998] 5 CLJ 735 HC ***(dist)***
Television Broadcasts Ltd & Ors v. Mandarin Video Holdings Sdn Bhd [1983] 2 MLJ 346 ***(refd)***
The Performing Right Society Ltd & Anor v. United Artists Singapore Theatres Pte Ltd [2001] 2 SLR 375 ***(refd)***

Legislation referred to:
Copyright Act 1987, ss. 3, 7(1)(e), 10(2)(a), 13(1)(a), 26(1), 27, 42
Evidence Act 1950, s. 2
Rules of the High Court 1980, O. 1A, O. 14, O. 18 r. 19, O. 41 r. 11(1)

For the plaintiff - Su Siew Ling; M/s Tay & Partners
For the defendant - S Kulasegaran; M/s S Kula & Co

Reported by Usha Thiagarajah

JUDGMENT

Abdul Malik Ishak J:

Copyright Infringement

The plaintiff's cause of action is for copyright infringement and arising out of that the plaintiff seeks by way of encl. 3 summary judgment under O. 14 of the Rules of the High Court 1980 ("RHC") against the defendant.

Copyright is a creature of statute. The Copyright Act 1987 exclusively governs the protection and enforcement of copyright in in Malaysia. The law is clear and undisputed. To succeed in a copyright infringement claim, the plaintiff has to establish that:

(i) copyright subsists in Malaysia in the works claimed;

(ii) the plaintiff owns the copyright; and

(iii) the defendant has infringed the plaintiff's copyright.

Order 14 – The Summary Judgment

The plaintiff is confident that it will succeed in its cause of action and so the plaintiff files the O. 14 application. It is now trite law that a plaintiff may obtain a judgment against the defendant on the ground that the defendant has no cause of action.

The plaintiff must establish its cause of action, that is, copyright infringement and that the defendant has not raised any defence to the plaintiff's claim of copyright infringement or any triable issue for that matter. Once the plaintiff succeeds in making out a *prima facie* case, the onus then shifts to the defendant to show to this court as to why judgment should not be entered against it. One may ask, what then constitutes a triable issue or a *bona fide* defence? One may also ask, how does one assess whether there are triable issues? In *Renofac Builder (M) Sdn Bhd v. Chase Perdana Bhd* [2001] 5 CLJ 371, at p. 379, the court there remarked:

> But a mere bare assertion by the defendant would not be sufficient. The duty of the court is quite onerous in the extreme. The court must be vigilant and must view in perspective at the whole scenario in order to ascertain whether the defendant has a real or what is commonly known as a *bona fide* defence.

It is obvious that what is being called for is this. That a critical evaluation of the facts presented by the parties through their pleadings and affidavits must be carried out and that mere bare assertions or denials must be rejected. In *Bank Negara Malaysia v. Mohd. Ismail Ali Johor & Ors* [1992] 1 CLJ 627; [1992] 1 CLJ (Rep) 14, the Supreme Court had this to say:

> Under O. 14, when a fact is asserted by one party and denied by another, and such denial is equivocal or lacking in precision or is inconsistent with undisputed contemporary documents or other statements by the same deponent or is inherently improbable in itself the Judge has a duty to reject such assertion or denial, thereby rendering the issue as not triable.

And that such bare denials or assertions do not constitute evidence and they do not give rise to triable issues. In the words of the Court of Appeal in *Chen Heng Ping & Ors v. Intradagang Merchant Bankers (M) Bhd* [1995] 3 CLJ 690:

> When an application is made for summary judgment under O. 14 supported by an affidavit which goes to show that there is no defence, the defendants must show cause why leave to defend must be given. This means that the defendants must provide answers on oath which constitute evidence that they have a defence which is fit to be tried. Denials in a defence do not constitute evidence. They are challenges to the other side to show proof. In the present case the guarantors do not appear to have appreciated this. Their affidavits merely relied on the defence they pleaded, which consists of bare denials and points of law which they could not sustain.

Likewise where a party raises a material fact and this is not contradicted, that fact would be treated as unrebutted evidence in support of the party who adduces the fact (*Ng Hee Thoong & Anor v. Public Bank Bhd* [1995] 1 CLJ 609, CA).

The Copyright Act 1987

I will now proceed to the core of the matter and, for this purpose, I will examine the three ingredients alluded to earlier in quick succession.

(i) That Copyright Subsists In Malaysia In The Works Claimed

In order to ascertain whether copyright subsists in the works, one must determine whether the works fall within one of the categories of works protected under the Copyright Act 1987. Section 7(1) of the Copyright Act 1987 sets out the categories of works which are eligible for copyright protection and it is worded in this way:

> 7. Works eligible for copyright
>
> (1) Subject to this section, the following works shall be eligible for copyright:
>
> (a) literary works;
>
> (b) musical works;
>
> (c) artistic works;
>
> (d) films;
>
> (e) sound recordings; and
>
> (f) broadcasts.

It must be emphasised that the relevant category of works in the present case is "sound recordings" as provided for in s. 7(1)(e) of the Copyright Act 1987. The phrase "sound recordings" is defined under s. 3 of the Copyright Act 1987 to mean:

> any fixation of a sequence of sounds or of a representation of sounds capable of being perceived aurally and of being reproduced by any means, but does not include a sound-track associated with a film.

It is argued and I agree that the works in issue are plainly and clearly to be nothing else than "sound recordings" and it falls squarely within the definition or interpretation section of the Copyright Act 1987. The details of the works are clearly seen in Schedule 'A' to encl. 3 and I must reproduce them hereinunder. I am told that the originals will be produced in court, if necessary. True enough, in the course of delivering my decision in regard to encl. 3, the originals were produced for my scrutiny. I now confirm that I have seen the originals to my hearts content. The learned counsel for the defendant magnanimously confirms that the originals are sound recordings. Such concessions are most welcome and they raise the standards of the bar to a high level. I will now reproduce the details of the works. They cover the ever popular Malay songs:

No:	Title of Songs/Sound Recordings ("Works")	Artiste	First Publication Date
1	Suci Dalam Debu	Iklim	June 1990
2	Hakikat Sebuah Cinta	Iklim	June 1990
3	Budi	Iklim	July 1992
4	Blues Terengganu Kita	Iklim	July 1992
5	Mahligai Seribu Mimpi	Iklim	July 1992
6	Mimpi Yang Pulang	Iklim	July 1992
7	Aduhai Seribu Kali Sayang	Saleem/ Iklim	January 1993
8	Bukan Aku Tak Cinta	Iklim	May 1993
9	Sheilla	Iklim	December 1993
10	Demi Rindu Kita	Meditasi	November 1995

Now, having established that the works are eligible for protection under the Copyright Act 1987, it is now ideal to establish the pre-condition for copyright to subsist in such works which are eligible for protection. For this purpose, s. 10(2)(a) of the Copyright Act 1987 must be referred to:

> 10. Qualification for protection
>
> (2) Copyright shall also subsist in every work which is eligible for copyright and which:
>
> (a) being a literary, musical or artistic work or film or sound recording is first published in Malaysia.

It can be seen that the plaintiff's works are recorded by Malaysian artistes and they were all first published on the dates as set out in the diagram as reproduced above and these were affirmed in paragraph four (4) of enclosure four (4).

In order to prove the subsistence of copyright including the dates of publication, the plaintiff has, apart from affirming in the affidavits, also affirmed a statutory declaration pursuant to s. 42 of the Copyright Act 1987 which enacts as follows:

> 42. Affidavit admissible in evidence
>
> (1) An affidavit or statutory declaration made before any person having authority to administer oath by or on behalf of any person claiming to be:
>
> (a) the owner of the copyright in any works eligible for copyright under this Act stating that:
>
> (i) at the time specified therein copyright subsisted in such work;
>
> (ii) he or the person named therein is the owner of the copyright; and
>
> (iii) a copy of the work annexed thereto is the true copy thereof; or
>
> (b) the performer in a live performance eligible for performers' right under this Act stating that:
>
> (i) at the time specified therein performers' right subsisted in such live performance;
>
> (ii) he or the person named therein is the performer; and

(iii) a copy of the document annexed thereto is the document which proves that he or the person named therein performed in the live performance,

shall be admissible in evidence in any proceedings under this Act and shall be *prima facie* evidence of the facts contained therein.

(2) Any person who for the purposes of subsection (1) shall be required to produce such authorisation in writing.

It is quite apparent that s. 42 of the Copyright Act 1987 prescribes the manner of proving copyright subsistence and ownership of works. It provides that an affidavit or statutory declaration to be made by the copyright owner or persons authorised by the copyright owner and such affidavit or statutory declaration shall be admissible in any proceedings as *prima facie* evidence of the facts contained therein. It is quite obvious that s. 42 of the Copyright Act 1987 was enacted to facilitate and ease the process of proving copyright ownership. It is a concession of a sort. It circumvents the requirement of having to produce supporting documentary evidence which may be antiquated and voluminous. Section 42 of the Copyright Act 1987 places the burden on the infringer to dispute and challenge the prima facie evidence adduced by the copyright owner. I must say that the plaintiff has acted prudently and has complied with the requirements of s. 42 of the Copyright Act 1987 when the plaintiff through the deponent has affirmed the following facts:

(a) that copyright subsists in the works;

(b) that the plaintiff is the owner of the copyright subsisting in the works; and

(c) that copies of the works are annexed as the true copies thereof.

Even the statutory declarations have been exhibited as exhs. "TTC4 (i) to (vi)" at pp. 179 to 229 of encl. 4. So I say that these facts are *prima facie* evidence of the plaintiff's claim to subsistence and ownership of copyright in the works.

The nagging issue left is this: whether the defendant has raised any fact which rebuts the *prima facie* evidence as stated above? I agree that the defendant has not raised any cogent evidence to dispute the *prima facie* evidence of subsistence or ownership of copyright. To me, there is nothing in the Statement of Defence as per encl. 5 nor in the defendant's affidavits as per encls. 6 and 10 which raise any factual evidence to doubt the subsistence of copyright in the plaintiff's works. As I see it, the defendant merely raise bare denials as set out in paras. 4 and 6 of encl. 6. The following recitals in the Malay language bear testimony:

(i) at para. 4: "Saya sekeras-kerasnya menafikan perenggan 4 Afidavit tersebut dan meletakkan Plaintif atas beban bukti yang kukuh."

(ii) at para. 6: "Perenggan 6 Afidavit tersebut dinafikan oleh sebab Plaintif tidak menyokong dengan apa-apa bukti berkenaan penerbitan pertama kali di Malaysia oleh SCS (referring to Suara Cipta Sempurna (Marketing) Sdn. Bhd.) pada tahun yang dinyatakan."

Mere bare denials are insufficient without more. I say that the plaintiff has satisfied the burden of proving copyright ownership and subsistence through compliance with s. 42 of the Copyright Act 1987 by affirming the statutory declaration. In my judgment, bare denials in the statement of defence and in the defendant's affidavits are insufficient to challenge or rebut or dislodge the *prima facie* evidence adduced in the plaintiff's affidavits and the statutory declarations. In my judgment, the plaintiff has successfully established that copyright subsists in the works in Malaysia.

(ii) The Plaintiff Owns The Copyright

After having established the subsistence of copyright in the works, the next crucial issue to determine is whether the plaintiff owns the copyright in those works. Section 26(1) of the Copyright Act 1987 enacts that "copyright conferred by s. 10 shall vest initially in the author". Section 3 at para. (e) of the Copyright Act 1987 stipulates in relation to sound recordings that the "author" is the person by whom the arrangements for the making of the sound recordings were undertaken. To put it in another way, the word "author" is defined in s. 3(e) of the Copyright Act 1987 in relation to sound recordings as follows:

'author':

(e) in relation to films or sound recordings, means the person by whom the arrangements for the making of the film or recording were undertaken.

Now, in the present case before me, the "author" of the sound recording was Suara Cipta Sempurna (Marketing) Sdn. Bhd., a sound recording company which made arrangements for the recording of the songs referred to in the works. This salient fact is supported by the sale and purchase agreement dated 21 November 1996 which is annexed as exh. "TTC1" to encl. 4. It is also acknowledged by the defendant in exh. "SCM1" at p. 2 of encl. 6.

It is pertinent to point out that copyright shall be transferable by assignment and, to have that effect, the assignment must be in writing. This is provided for in s. 27 of the Copyright Act 1987 which enacts as follows (the relevant sub-sections):

> 27. Assignment, licences and testamentary disposition
>
> (1) Subject to this section, copyright shall be transferable by assignment, testamentary disposition, or by operation of law, as movable property.
>
> (2) ...
>
> (3) No assignment of copyright and no licence to do an act the doing of which is controlled by copyright shall have effect unless it is in writing.

Here, the copyright in the works has been assigned to the plaintiff on 21 November 1996 *via* a sale and purchase agreement as reflected in para. 5 at exh. "TTC1" of encl. 4. Surprisingly, the defendant has not produced any evidence to rebut or challenge the validity of the assignment. The affidavits and the defence of the defendant merely contain bare denials. These bare denials can be seen in encl. 6 particularly at para. 9(a) and para. 9(b) thereto. For clarity, I will now produce these paragraphs:

(i) at para. 9(a): "Plaintif bukanlah pemunya hakcipta dalam rakaman bunyi karya-karya tersebut."

(ii) at para. 9(b): "Pemunya dan hakmilik sebenar hakcipta dalam karya-karya muzik, filem dan rakaman bunyi yang dimaksudkan ialah Audio Scope Video Production Sdn Bhd."

That there has been an assignment of the copyright in the works to the plaintiff can never be doubted. The assignment is in writing as per the sale and purchase agreement and it is signed by the parties thereto. It must be borne in mind that an assignment does not require to be expressed in any particular form of words, and it may even be set out in a letter (*London Printing and Publishing Alliance Ltd v. Cox* [1891] 3 Ch 291, CA; *Lacy v. Toole* [1867] 15 LT 512; *Ex parte Hutchins* [1879] 4 QBD 483, CA; *Re Jude's Musical Compositions* [1907] 1 Ch 651, CA; *British Actor Films Co v. Glover* [1918] 1 KB 299; and *Landeker and Brown v. Wolff & Co* [1907] 52 Sol Jo 45). It is interesting to note that oral evidence may be admitted in order to identify the subject matter of an assignment (*E.W. Savory Ltd v. World of Golf Ltd* [1914] 2 Ch 566, CA; and *Photocrom Co Ltd v. H. and W. Nelson Ltd* [1927] Mac G Cop Cas (1923-28) 293). But here there is no necessity to lead oral evidence. The sale and purchase agreement is solid proof of an assignment.

A legal assignment of copyright vests the right assigned in the assignee. Here, the assignee is the plaintiff and as an assignee the plaintiff may take proceedings against the persons who infringe or who have infringed the copyright. Here, the plaintiff has taken an action against the defendant for copyright infringement.

The defendant has not produced a single shred of evidence to substantiate its assertions in para. 9(b) of encl. 6. On the contrary, the defendant's very own evidence in exh. "SCM1" of encl. 6 contradicts its own assertions and supports the plaintiff's case of copyright ownership. It is therefore correct to say that the defendant's assertions or denials are thus equivocal and inconsistent with the available documentary evidence. Thus, there are no triable issues with respect to the plaintiff's claim of copyright to the works.

I will now say something about the plaintiff's exclusive ownership of the copyright.

Section 13(1) of the Copyright Act 1987 confers on the copyright owner the various rights of exclusive control. One of the exclusive rights of control conferred on a copyright owner by s. 13(1)(a) of the Copyright Act 1987 is the reproduction in any material form of the copyrighted work or any substantial part thereof. This means that the plaintiff has the right to control the reproduction of sound recordings in various material forms. In short, the plaintiff may prevent others from making copies of the sound recordings in whatever media or format. Now, this exclusive right to control reproduction of the sound recordings may thus be further divided into the various media in which the sound recordings are embodied. Those media includes cassettes, laser discs (LD), video compact discs (VCD) or digital video compact discs (DVD). Thus, a licence granted by the copyright owner to reproduce the sound recordings in cassette format does not extend to the right of reproduction of the sound recordings in video compact disc (VCD) format. And a licence to reproduce the sound recordings in LD format does not extend to the right to reproduce the sound recordings in VCD format.

In the present case, the subject format or medium of the defendant's unauthorised reproduction lies in karaoke VCDs. It is common knowledge that karaoke VCDs differ from ordinary music VCDs in that there are accompanying moving pictures (films) and lyrics which appear on the television screen or computer monitors (depending on where those VCDs are being played). Thus, an infringement of copyright in the works is therefore to be viewed in the light of the scope of exclusive rights granted under s. 13 of the Copyright Act 1987.

It is ideal to refer to s. 36(1) of the Copyright Act 1987. It enacts as follows:

> (1) Copyright is infringed by any person who does, or causes any other person to do, without the licence of the owner of the copyright, an act the doing of which is controlled by copyright under this Act.

And it means this. That any unauthorised act of reproduction is considered to be an act of copyright infringement.

(iii) The Defendant Has Infringed The Plaintiff's Copyright

The defendant has, without the licence or authority of the plaintiff, reproduced the plaintiff's works in that sound recordings are incorporated into its karaoke VCDs. The evidence has been exhibited in the plaintiff's affidavit. The originals of the defendant's VCDs have been produced in court and I have alluded to it earlier. For ease of reference, the infringing sound recordings are set out hereinunder:

No:	Title of Songs/Sound Recordings	Title of Karaoke VCD Album	Track No:	Artiste
1	Suci Dalam Debu Vol. 6	Koleksi Hit	13	Iklim
2	Suci Dalam Debu	Saleem Terbaik Iklim	1	Iklim
3	Hakikat Sebuah Cinta Vol. 17	Koleksi Hit	7	Iklim
4	Hakikat Sebuah Cinta	Melodi Cinta	6	Iklim
5	Hakikat Sebuah Cinta	Rentap 9	5	Iklim
6	Bukan Aku Tak Cinta Iklim	Saleem Terbaik	1	Iklim
7	Aduhai! Seribu Kali Sayang	Saleem Terbaik Iklim	9	Iklim
8	Sheilla	Saleem Terbaik Iklim	4	Iklim
9	Mahligai Seribu Mimpi	Saleem Terbaik Iklim	5	Iklim

10	Budi	Saleem Terbaik Iklim	7	Iklim
11	Demi Rindu Kita	Koleksi Hit Vol. 5	3	Meditasi
12	Demi Rindu Kita	Rentap 11	9	Meditasi

The defendant had not disputed that the sound recordings incorporated into the karaoke VCDs are that of the plaintiff's works. Therefore the defendant has admitted to reproducing the plaintiff's works in its karaoke VCDs.

One may ask this question: has the defendant any real defence to the plaintiff's claim of copyright infringement? The answer is in the negative. From the affidavits and the defence filed, there are only two discernible arguments advanced by the defendant and these arguments do not constitute triable issues or *bona fide* defences.

The first argument raised by the defendant is this. The licence dated 1 April 1994 between itself and Audio Scope Video Product Sdn Bhd as justifying its right to reproduce the works. But, in my considered view, notwithstanding the veracity of the licence, the said licence is no defence to the plaintiff's claim for the following reasons:

(a) The terms of the licence clearly evince an acknowledgement by the defendant that the copyright owner of the "licensed materials" which included the plaintiff's works was Suara Cipta Sempurna (Marketing) Sdn Bhd. As stated earlier, copyright in the works had been assigned by Suara Cipta Sempurna (Marketing) Sdn Bhd to the plaintiff by way of an agreement dated 21 November 1996. That assignment has not been challenged nor rebutted by the defendant.

(b) The defendant has not produced any evidence to show how and from whom Audio Scope Video Product Sdn Bhd, the purported licensor, procured the rights to sub-licence to the defendant.

(c) The purported licence was only to "duplicate and make copies of the master tapes containing the licensed materials onto and in Laser Disc format."

It is now as clear as crystal that the defendant was not licensed to reproduce the plaintiff's works in VCD format and upon expiry of the purported licence on 2 April 1996, the defendant had not been authorised to reproduce the plaintiff's works in any format whatsoever.

I say that liability for copyright infringement attaches the moment the defendant produced VCDs containing the plaintiff's sound recordings. The defendant was never licensed to reproduce the sound recordings in VCD format. The assertions by the defendant that the VCDs that are still found in the market were old stocks made when the purported licence was still alive really begs the issue. The defendant's arguments of old stocks similarly do not hold water. The sleeves of the karaoke VCD albums as exhibited in exh. "TTC6" of encl. 6 have been examined. The mandatory certificates issued by the Film Censorship Board as stickered onto the sleeves of some of the karaoke VCDs were all dated after the expiration of the licence. The copyright notices on the said karaoke VCDs were also after 1996. The titles of the said karaoke VCDs and the respective dates of the certificates and copyright notices are as follows:

No:	Title of Karaoke VCD Album	Date of Certificate/ Copyright Notice	Page in Enclosure
1	Koleksi Hit Vol: 5	18.10.2000	238
2	Koleksi Hit Vol: 6	19.11.2001	240
3	Koleksi Hit Vol: 17	10.5.1999,@ 1997	241-242
4	Melodi Cinta	11.12.2001, @ 1998	243
5	Rentap Vol: 9	27.2.2002, @ 1998	245-246
6	Rentap Vol: 11	27.4.2001, @ 1998	247-248
7	Iklim Saleem Terbaik	2.10.2002, @ 1998	249-250
8	Slow Rock Pilihan 4	23.8.2002, @ 2002	251-252

All these facts point conclusively to the reproduction of the plaintiff's sound recordings post expiry of the purported licence in 1996. In my judgment, the defendant had thus misappropriated the copyright and the proprietary interests of the plaintiff vested in the works.

The second argument put forth by the defendant is this. That the karaoke VCD qualifies to be protected as a film under the Copyright Act 1987 and that the defendant is the copyright owner of the film which includes the "sound track" of a film. Section 3 of the Copyright Act 1987 defines the word "film" to mean:

any fixation of a sequence of visual images on material of any description, whether translucent or not, so as to be capable by use of that material with or without any assistance of any contrivance:

(a) of being shown as a moving picture; or

(b) of being recorded on other material, whether translucent or not by the use of which it can be so shown,

and includes the sounds embodied in any sound-track associated with a film.

I have deliberated at length and it is part and parcel of my judgment that the defendant's arguments are unsubstantiated both factually and legally. The defendant's claims to ownership of the music video of the works are doubtful. Factually speaking, some of the works like:

(1) "Demi Rindu Kita";

(2) "Suci Dalam Debu";

(3) "Aduhai Seribu Kali Sayang";

(4) "Sheilla";

(5) "Mahligai Seribu Mimpi";

(6) "Budi";

(7) "Blus Terengganu Kita"; and

(8) "Mimpi Yang Pulang",

had been made prior to the grant of the purported licence on 1 April 1994 and they were music video recordings of the original artistes. Music video recordings are usually made to promote the sale of the artistes' albums and they were usually issued simultaneously with or shortly after the release of the albums. Those sound recordings save for "Demi Rindu Kita" were published way before the purported licence in 1994. Even assuming for one moment that the defendant's karaoke VCDs qualify to be protected as "films" and that those "films" belong to the defendant, the defendant's argument is fundamentally flawed in law because the plaintiff's works were incorporated into the said VCDs without the permission of the plaintiff.

Legally speaking, copyright in the plaintiff's works did not cease to belong to the plaintiff merely by virtue of the defendant's act of incorporating the works into its karaoke VCDs or "films". It is audacious on the part of the defendant to claim that the plaintiff's works became the defendant's merely because they were incorporated into its karaoke VCDs and that too, I must say, was without the plaintiff's permission. The blatant argument on the part of the defendant merely goes against the tenet of copyright or property law in general and, in my judgment, completely baseless. Annexing one's property to another without the permission of the lawful owner and assuming that property as one's own is tantamount to theft of that annexed property.

A film is said to be a composite work. It is made up of several underlying works which individually themselves are eligible for copyright protection. Thus, the script, drama and film scenarios are protected as literary works whilst the underlying musical scores protected as musical works and sound recordings. The Copyright Act 1987 creates and confers an additional right on the film maker in the film as a composite work but it by no means takes away the individual rights of copyright owners of works eligible for protection such as sound recordings that are embodied in the film. The Australian Copyright Act 1968 bears similar provisions to our Copyright Act 1987 especially in regard to the eligibility of works protected by copyright and the exclusive rights conferred on the copyright owners. In *Phonographic Performance Company Of Australia Ltd and Others v. Federation Of Australian Commercial Television Stations* [1998] 40 IPR 225, a decision of the High Court of Australia with a coram of Gaudron, McHugh, Gummow, Kirby and Hayne JJ, is worth referring to. Although the facts and the decision of that case do not have any bearing on the present case as the court there was called upon to decide on the issue of broadcasting rights pertaining to sound recordings embodied in a film, yet the speech of Gaudron J at p. 231 of the report merits reproduction. This was what his Lordship said:

> No doubt, as the respondent submitted, the owner of copyright in a sound recording which a film-maker wishes to embody in the sound-track of the film could agree that the owner of the copyright in the film would make some payment to the owner of the copyright in the sound recording in respect of any broadcast of the film. Whether that payment would be a lump sum or royalty would be for negotiation between the parties. But if the owner of the copyright in the sound recording has no right to control copying or broadcasting of that part of the sound-track which embodies the sound recording, there is significant scope for exploitation of the sound recording, by persons other than the maker of the film, which could not be controlled directly by the owner of the copyright in the recording.

Both McHugh and Kirby JJ, who dissented on the main issue of the case, explained the undisputed position of the law in this way (see p. 235 to p. 236 of the report):

> [39] The Act conferred exclusive rights in relation both to sound recording and cinematograph films on the respective makers thereof. The Act envisaged that different forms of copyright might co-exist. Thus a cinematograph film might involve the integration of various elements – idea, original story line, screen play and music – which the maker of the cinematograph film had integrated into the film which thereupon became an aggregate product, recognised by the Act as separate from the combination of the various parts of which it was composed. It was the purpose and effect of the Act to confer separate copyright protection on this integrated product.
>
> [40] Because the owner of the cinematograph film would otherwise be in breach of the reproduction rights of others, it is obliged to secure the consent of the respective copyright owners before it may lawfully integrate the various elements comprising original works into a cinematograph film. Where one of those elements is a sound recording within the meaning of the Act, its lawful incorporation in the cinematograph film would require the consent of the owner of any copyright in the sound recording.

The Singapore High Court in the case of *The Performing Right Society Ltd & Anor v. United Artists Singapore Theatres Pte Ltd* [2001] 2 SLR 375 rightly observed that the exclusive rights of a copyright owner of a musical work do not cease when the musical work is made into sound recording and likewise when the sound recording is merged into a film.

For all these reasons, I must hold that the plaintiff has established a clear case of copyright infringement by the defendant and the defendant has failed to set up any defence.

Arguments Advanced By The Defendant

Lest I be accused of an oversight, I must now examine the four so called triable issues raised by the defendant. They may be stated as follows:

(1) The plaintiff is not the owner and the exclusive right holder of the copyright works.

(2) The defendant is the owner and the exclusive right holder in the works before 1996.

(3) The defendant is the owner and the exclusive right holder in the works after 1996.

(4) The plaintiff has no right to litigate for past infringement.

It is the stand of the plaintiff that based on the affidavit evidence, the plaintiff has proven itself to be the true owner of the copyright in the works and that the defendant has not acquired any proprietary rights to those works. The four so called triable issues will now be addressed accordingly.

The First Issue

The defendant argues that:

(a) The sale and purchase agreement dated 21 November 1996 is not sufficient to prove that the plaintiff owns the works. The plaintiff ought to produce the artiste's recording agreements and the deed of assignment.

(b) The statutory declarations exhibited do not contain the true copies of the works and thus do not constitute *prima facie* evidence of copyright.

The plaintiff takes up a cudgel and points out that the reason that the plaintiff had not adduced the artiste's recording agreements and the deed of assignment was simply because they are irrelevant to the issue of the plaintiff's copyright infringement suit against the defendant. The law in regard to the authorship of sound recording is clear. The defendant too fully admits and accepts it. It is this. That the person by whom the arrangements for the making of the recordings were undertaken is the author of the sound recordings. But the artistes who sang and performed the sound recordings are not the authors of the sound recordings. So, it is correct to say and I so say that Suara Cipta Sempurna (Marketing) Sdn Bhd being the sound recording company which made arrangements for the sound recordings to be produced is the author of the sound recordings. The defendant accepts and does not dispute nor refute the fact that Suara Cipta Sempurna (Marketing) Sdn Bhd is a sound recording company. The defendant too does not refute nor has the defendant produced evidence to rebut the fact that Suara Cipta Sempurna (Marketing) Sdn Bhd is the author of the sound recordings which form the works which are now in dispute. So, that being the case, there is thus no necessity for the plaintiff to produce the artiste's recording agreements or the deed of assignment. All that is required to be proved is this. That the copyright in the sound recordings have been validly assigned by Suara Cipta Sempurna (Marketing) Sdn Bhd to the plaintiff through a valid instrument of transfer and that would be the sale and purchase agreement.

The important clauses on assignment of copyright in sound recordings in the sale and purchase agreement effectively transferred copyright ownership to the plaintiff independently of whether the artiste recording agreements were duly assigned to the plaintiff or otherwise.

By way of a digression, I must say that the artiste's recording agreements are contracts of performance between the individual artiste and the recording company. It stipulates payment and the terms of performance. To the plaintiff, the significance of these agreements being assigned to the plaintiff is that it will continue to have the artistes in its stable to perform future sound recordings. If the artiste's recording agreements had not been assigned to the plaintiff, it merely means that the artistes are free to enter into contracts with other recording companies with regard to their future performance. That, with respect, has got nothing to do with the issue of copyright ownership of sound recordings performed by the artistes previously under contract with Suara Cipta Sempurna (Marketing) Sdn Bhd – copyright in those sound recordings belong to Suara Cipta Sempurna (Marketing) Sdn Bhd and it has been assigned to the plaintiff by virtue of the sale and purchase agreement. That would, once and for all, disposes of the defendant's argument.

Going on an uphill task, the defendant then denies that it acknowledges Suara Cipta Sempurna (Marketing) Sdn Bhd as the author of the sound recordings because of the terms in the licence agreement. Now, even though the definition of "licensed materials" do not specifically address "sound recordings", yet the definition of "master tape" clearly envisages "sound recordings". The licence agreement enables the defendant to duplicate and reproduce the "master tape". The licence agreement defines "master tape" to mean:

> the storage device comprising of and shall be in Betacam format and DAT tapes incorporating the licensed materials in the respective volume so supplied by ASV to AOE for the specific purpose of duplicating and producing in laser disc format only the licensed materials therein contained with the view of selling such laser discs so produced in the course of AOE's business and pursuant to the terms and conditions herein contained.

In plain English it means this. That the master tapes contain sound recordings which in turn incorporates the musical and literary works underlying the songs recorded. And that those sound recordings belong to Suara Cipta Sempurna (Marketing) Sdn Bhd.

Now, if sound recordings are not included in the licence agreement, the defendant would have to engage its own artistes and musicians to play and perform the musical and literary works and also make the necessary arrangements to record that performance. But the defendant did not do any of these things and this is apparent from the infringing copies of the works procured by the plaintiff. The infringing copies contain sound recordings performed by the original artistes and this has not been denied by the defendant in any of its affidavits.

By allowing the defendant to duplicate and reproduce the master tapes, the licence agreement also purported to licence the sound recordings embodied in those master tapes. That being the case, how could the defendant now deny and challenge the copyright ownership of Suara Cipta Sempurna (Marketing) Sdn Bhd in those sound recordings? It is clear and the defendant also acknowledges that Suara Cipta Sempurna (Marketing) Sdn Bhd owns the copyright in the works subsisting in the songs recorded, namely, the literary works (lyrics), the musical works (the tune) and the sound recordings. One may ask, how else could Suara Cipta Sempurna (Marketing) Sdn Bhd have licensed and the defendant ultimately accepting the licence to all the works?

The plaintiff rightly argues that the defendant is estopped by virtue of the licence agreement and its conduct pursuant to the licence agreement – by reproducing the master tapes and enjoying the benefits of the licence, from now challenging the copyright ownership of Suara Cipta Sempurna (Marketing) Sdn Bhd and the assignee of the copyright, the plaintiff, in the works. Certainly, the defendant cannot have the cake and eat it.

On the other end of the scale, if the defendant argues that it was only licensed to reproduce the licensed materials which excluded the sound recordings then the defendant never had the right to reproduce the sound recordings. The defendant therefore, in my judgment, has no defence to the plaintiff's claim for copyright infringement of its works being sound recordings.

It seems to me that the only reason that the plaintiff fails to annex the actual copies of the works was due to its bulk and volume. It is not the case that the plaintiff is unable to produce the actual or true copies of the works. At para. 7 of encl. 4, there is an averment which states that:

> The original of the albums and recordings will be produced in court at the hearing of the plaintiff's application hereof.

I reiterate that the originals have been reproduced before me and I have seen them anxiously. That settles the matter once and for all.

The defendant cites and relies on the case of *Solid Gold Publishers Sdn Bhd (mendakwa bagi diri sendiri dan juga bagi pihak Cineart Enterprise Sdn Bhd) v. Chan Wee Ho (berniaga sebagai New Memory Video Enterprise) & 5 Ors* [1998] 5 CLJ 735. That case is certainly distinguishable. There it was not argued that the plaintiff there was capable of producing the true copies even though they were not annexed to the affidavit. There were other deficiencies in the evidence in that case. With due respect to the learned judge in the Solid Gold case, his rejection of works adduced in photostated form on the ground

that it contravened the Evidence Act 1950 was wrong. It must be borne in mind that in the Solid Gold case, just like the present case at hand, evidence was led by way of affidavits. I must at once say that the provisions in the Evidence Act 1950 governing primary and secondary documentary evidence has no application to affidavits. This is clearly borne out in s. 2 of the Evidence Act 1950 which states that:

> This Act shall apply to all judicial proceedings in or before any court, but not to affidavits presented to any court or officer nor to proceedings before an arbitrator.

Of relevance would be O. 41 r. 11(1) of the RHC which governs the production of exhibits in an affidavit. That provision stipulates as follows:

> Any document to be used in conjunction with an affidavit must be exhibited and a copy thereof annexed to the affidavit.

Here, the statutory declarations have been annexed to the affidavits by virtue of O. 41 r. 11(1) of the RHC. They need not be the originals. Mere copies would be sufficient. The same argument would also apply to the exhibits annexed to the statutory declarations which were then exhibited in the affidavits. With respect, the provisions of the Evidence Act 1950 and the RHC were not cited nor argued in the Solid Gold case. In my judgment, in the present case, the affidavits in support together with the statutory declarations annexed thereto are regular and they were in compliance with the Evidence Act 1950, the RHC and the Copyright Act 1987. I venture to say that even if there is an irregularity, it is curable. The plaintiff is ever willing to produce the true copies of the works and has done so willingly. The justice of the case is always foremost in the mind of the judge. Order 1A of the RHC mandates as follows:

> In administering any of the rules herein the court or a judge shall have regard to the justice of the particular case and not only to the technical non-compliance of any of the rules herein.

The Second Issue

To say that the defendant is the owner of the works prior to 1996 is fundamentally flawed because the defendant admits that it obtains its licence to reproduce the master tapes containing the sound recordings from Audio Scope Video Production Sdn Bhd. The defendant has never been the owner of the works at any material time. The same applies to Audio Scope Video Production Sdn Bhd. The acknowledgement of Suara Cipta Sempurna

(Marketing) Sdn Bhd as the owner of the copyright in the works in the licence agreement by the defendant and Audio Scope Video Production Sdn Bhd is sufficient to dispose of the defendant's arguments.

A question may be posed, was the defendant licensed to produce the works until 30 March 1996? I must say that the licence agreement does not envisage video compact discs at the time of making of the said agreement even though the definition of "laser disc" as pointed out by the defendant is broad and vague enough to comprise VCDs. At any rate, the plaintiff has adduced copies of the infringing works which were reproduced and sold way after the expiration of the defendant's purported licence in 1996. The mandatory certificates issued by the film censorship board as stickered onto the sleeves of some of the karaoke VCDs were all dated after the expiration of the licence. I have reproduced the titles of the karaoke VCDs and the respective dates of the certificates and the copyright notices in the early part of this judgment and they certainly speak a thousand words. Consequently, the fact that the defendant was licensed to reproduce the works in VCD format up until 30 March 1996 is therefore not a defence. The defendant has failed to produce a single shred of evidence to show that those albums that were on sale were "old stocks which were not sold until today".

The Third Issue

The defendant contends that it is the copyright owner of the films in the karaoke VCDs that embodied the plaintiff's works that would be the sound recordings. The plaintiff has rightly submitted that not all of the karaoke VCDs featured belong to the defendant as those were the original videos of the performing artistes issued contemporaneously at the time of the release of their albums. Sad to say, the defendant had not proved otherwise.

Even if the defendant is the copyright owner of the films embodied in the karaoke VCDs, it does not own the copyright in the sound recordings, being the plaintiff's works, that were incorporated into the film unless the plaintiff had expressly assigned copyright in the sound recordings to the defendant for incorporation into the karaoke recordings, which the plaintiff never did, and so the defendant has no legal basis to assert copyright ownership to the plaintiff's works in that manner.

The plaintiff's case is rather simple. The defendant had without the plaintiff's authorisation and licence, reproduced and incorporated the plaintiff's works being sound recordings in the karaoke VCDs. This constitutes, in law, an infringement of the plaintiff's copyright.

The Fourth Issue

The defendant argues that the plaintiff has no right to sue the defendant for past infringement. But it must be borne in mind that the plaintiff was assigned the copyright in the works on 21 November 1996. Even if the defendant's licence agreement exhibited as "SCM1" of encl. 6 validly conferred on the defendant the right to reproduce the plaintiff's works in the form of karaoke VCDs, that licence would have expired on 1 April 1996. It must be recalled that the plaintiff commenced this civil action in 2003 for acts of infringement occurring after 21 November 1996. In fact, there is no issue of suing for past breaches because the plaintiff has shown that the defendant's karaoke VCDs were produced and sold after 1997. That being the case, the defendant's argument is irrelevant to the present proceedings.

Conclusion

Copyright infringement or what is loosely termed as "piracy", particularly in the music and film industry, is an occurrence of epidemic proportion in Malaysia. There is a general disrespect for copyright laws in the country. It is a sad development. But what makes it even more appalling and totally unacceptable is the fact that the defendant is also an industry player. The defendant makes and distributes musical works and sound recordings to the Malaysian public. The defendant's total disregard of copyright laws cannot be tolerated.

The arguments raised by the defendant are based on the facts as reflected in the affidavits and these facts sided the plaintiff to the hilt. The grounds raised by the defendant are highly improbable and they have all been rebutted. There is no triable issue at all. In *Petroleum Nasional Bhd v. Kerajaan Negeri Terengganu & Another Appeal* [2003] 4 CLJ 337, the Court of Appeal held that the courts should not shy away from granting summary judgments even if, at first blush, there may seem to be complex arguments of law. Although the Court of Appeal was concerned with an O. 14A of the RHC, yet the Court of Appeal relied on cases decided under O. 14 and O. 18 r. 19 of the RHC.

The present case fits the classic profile of a case that can be disposed of summarily. The defendant has reproduced the plaintiff's sound recordings without its permission. There is ample proof and the plaintiff's title to copyright stands unchallenged. The defendant copied and reproduced the plaintiff's works without its permission and the defendant profited out of such theft. The plaintiff should not be made to suffer the costs and expenses of a full trial. On the facts and the law, the plaintiff deserves summary judgment. Both the facts and the law are undisputed. Indeed, summary judgment should

be one of the tools for copyright owners, like the plaintiff, to obtain speedy judgment and it is certainly consistent with the government's efforts to effectively enforce the Copyright Act 1987 and in stamping out piracy.

That brilliant judge in the person of Lord Denning MR once said in the celebrated case of *Rank Film Ltd v. Video Information Centre* [1982] AC 380, 403 (which very passage was quoted with approval by Chan J, in the case of *Television Broadcasts Ltd. & Ors. v. Mandarin Video Holdings Sdn. Bhd.* [1983] 2 MLJ 346, 347):

> 'It is, it is a glorious thing, to be a Pirate King,' said W.S. Gilbert; but he was speaking of ship pirates. Today we speak of film pirates. It is not a glorious thing to be, but it is a good thing to be in for making money.

In the context of the present case, I am concerned about music pirates. The plaintiff rightly submits, "let not the defendant be a Pirate King", and I agree fully with this sound submission. I accordingly grant an order in terms of encl. 3. I too make an order that the file is to be closed.